

Committee on Ways and Means

Medicare Prescription Drug and Modernization Act of 2003

House Legislation Fulfills Key Principles Outlined by the House Speaker Dennis Hastert

1) *Guarantee All Seniors an Affordable Prescription Drug Benefit Under Medicare*

- Immediate assistance for seniors through Rx Drug Discount Card
- Front-end drug coverage for all seniors:
 - 80% paid on the first \$2,000 of drug costs
 - \$35 monthly premium, our about \$1 per day
 - Low \$250 deductible
- Catastrophic Protection:
 - 100% coverage after \$3,500 out-of-pocket drug costs
 - Income-relating catastrophic threshold raises out-of-pocket for seniors with income greater than \$60,000
 - Count state drug pharmacy assistance programs towards out-of-pocket expenses
- Full cost-sharing for low-income seniors up to 135% of poverty
- Full premium subsidy for those with incomes of 135% of poverty and phasing out up to 180% of poverty

2) *Protect Seniors with the Right-to-Choose a Benefits Package that's Best for Them*

- At least two prescription drug plans will be available to all seniors
- Prescription drugs available through Enhanced Fee-For-Service or new Medicare Advantage plans
- Provides the same choice of plans available to federal employees and members of Congress

3) *Strengthen Medicare for all Senior Citizens and Future Generations*

- Ensures that doctors will continue to serve seniors through Medicare
- Strengthens rural health care for today and tomorrow
- Puts patients before paperwork by eliminating duplicative/burdensome regulation
- Allows competitive forces to hold down costs to ensure Medicare is available for future generations